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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Administrative Staff

DATE: 27 Mar 50

FROM : Management Officer

SUBJECT: Survey, Fiscal Division

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1. At your request a survey has been made of the Fiscal Division for the purpose of increasing efficiency, determining proper functional statements and the over-all staffing pattern required to perform the assigned functions.

2. The nature of the activities of the Agency have dictated two separate fiscal operations for the detailed accounting for funds, however, a centralized control is necessary for rendition of required reports to the Bureau of the Budget, Treasury Department, and the Civil Service Commission. Responsibility for detailed accounting of confidential funds is charged to the Finance Division, Special Support Staff, and detailed accounting for vouchered funds and centralized reporting for all funds is charged to the Fiscal Division, Administrative Staff.

3. A review of the fiscal service requirements of the Agency and the operations of the Fiscal Division has been made. Based on this review, functional statements outlining the responsibilities of the Fiscal Division and each of the five branches have been prepared. The functional statements are attached hereto as Exhibits A to F inclusive. These statements are based on current operations. If recommendations contained in this report are adopted corresponding changes in the functional statements will be necessary.

4. General observations made during the course of the survey which apply equally to all branches of the Division are:

a. The Division Chief has issued verbal directives but has not prepared detailed statements of job requirements, duties, and responsibilities for his subordinates nor has he required his branch chiefs to prepare similar statements for personnel under their supervision. Position descriptions were used as a partial substitute but were found to be generally inadequate.

(1) Recommendation

(a) That the Chief, Fiscal Division, prepare detailed statements of the duties and responsibilities for each of his principal subordinates and direct each of them to prepare similar statements for their subordinates.

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b. The work of the Division is being processed on a current basis, although overtime is sometimes utilized to maintain currency. Certain posting media are allowed to accumulate over relatively short intervals to increase the efficiency of the posting operation; however, all required actions, other than posting, are taken on the documents prior to accumulation.

c. Effective procedures and documents flow have been established. The procedures for the most part are based on manual operations. Discussion concerning particular areas where business machine operations should be considered is contained in paragraph 6 of this report.

d. The files of the Division are well maintained and are kept to the minimum required for operations. The requirement for permanent retention of certain fiscal documents has been met through the establishment of an inactive records storage area in the attic of Central Building.

e. A proposal for a changed procedure for purchase of books and periodicals is currently under consideration by the Executive. The new procedure, if adopted, will provide for a reduction of approximately 1,500 purchase orders per year with a somewhat less reduction in the number of vouchers required. This reduction in workload, while significant, is insufficient to allow a recommendation for a reduction of personnel in the Fiscal Division.

5. a. Workload standards for government fiscal operations have been prepared by the Bureau of the Budget covering voucher and payroll preparation. There are no general standards established for other fiscal operations. Based on a workload analysis of the voucher and payroll operations in comparison with established standards and an evaluation of personnel required to perform all other activities of the Division, a proposed staffing pattern has been prepared. A comparison with the present T/O is as follows:

<u>Unit</u>	<u>T/O</u>	<u>Proposed</u>	<u>Difference</u>
Office of the Chief			
Travel Branch			
Accounts Branch			
Payroll Branch			
Claims Branch			
Fiscal Processing Branch			
TOTALS			

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b. Based on the current volume of work, the proposed staffing pattern indicated in a. above is adequate to perform the assigned functions. However, a complete complement of personnel on duty is essential to enable the Division to carry out its mission. The following table shows a comparison of the present and proposed personnel authorizations together with number assigned. The assigned total has remained fairly constant during the past year.

<u>Unit</u>	<u>T/O</u>	<u>Proposed</u>	<u>Assigned</u>
Office of the Chief			
Travel Branch			
Accounts Branch			
Payroll Branch			
Claims Branch			
Fiscal Processing Branch			
TOTALS			

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c. The difference between authorized and assigned personnel is accounted for by normal attrition, transfers to other activities, and the time lag in obtaining replacements. The constant understrength has resulted in otherwise unnecessary overtime. Recently the Fiscal Division has obtained two employees from the personnel pool. If qualified personnel can be obtained from this source periodically it will assist materially in maintenance of authorized strength.

6. The following sub-paragraphs contain an outline of the observations made in the Office of the Chief and each branch of the Division during the survey.

a. Office of the Chief -

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providing all necessary clerical and stenographic service for the Office of the Chief, also provide the stenographic service for all branches of the Division. The workload of the office is sufficient to fully justify all authorized personnel with the possible exception of the fiscal inspector. The

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fiscal inspector's workload at present within the Division is insufficient to justify a full-time employee. The possibility of increase in this activity within the near future is problematical. Informal inquiry reveals that there is need for fiscal inspector service in the Finance Division.

(1) Recommendation

(a) That the Fiscal Inspector be detailed to the Finance Division for duty as the need arises.

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b. Travel Branch - Personnel authorized are ☐ fiscal auditors, ☐ auditors, and ☐ . The workload consists of issuance of about 2,000 travel orders per year, auditing and certifying the travel vouchers and carriers bills in connection therewith. Additional work is added because in nearly every instance individual travellers make inquiry in connection with preparation of their travel vouchers. At present the Branch is responsible for the requisitioning, stocking, issuing, accountability and reporting for all transportation requests used within the Agency. This is an overlap of the Services Division function of procurement, stock and issuance of blank forms. An unsound practice has been prescribed by the Agency regulations which require preparation of travel orders and certification and audit of travel vouchers by the same office. This same practice is not authorized for other analogous cases, e.g., purchase orders and contracts are prepared by the purchasing and contracting officers and personnel actions are prepared by the personnel officers. Vouchers in connection with these transactions are certified and audited by the Fiscal Division.

(1) Recommendations

(a) That the function of procurement, stock, issuance, accountability and reporting of transportation requests be transferred to Services Division.

(b) That consideration be given to the transfer of the function of preparation of travel orders to the Services Division.

(c) That Fiscal Division obtain a work sheet covering pertinent travel data from travellers on completion of travel and prepare the voucher in final form for signature. (This will reduce the inquiries and correspondence concerning travel vouchers to a minimum and will assure that travel vouchers are properly prepared for payment.)

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25X1 c. Accounts Branch - Personnel currently authorized are accountants and fiscal clerks. The workload of the Branch justifies this total. Effective procedures based on General Accounting Office directives and sound accounting principles have been established. Machine methods have been adopted to a limited degree. It is possible to perform all general accounting and accounts payable accounting on punched card accounting machines.

(1) Recommendation

(a) That the feasibility of transfer of general and accounts payable accounting from a manual to an accounting machine basis be fully explored.

d. Payroll Branch - Personnel authorization for this Branch

A payroll system has been established which combines features of one recommended by the General Accounting Office, one in use by the Department of the Army, and other features devised for use by this Agency. Based on standards developed by the Bureau of the Budget, adjusted for special Agency requirements, the workload of the Branch justifies positions or a reduction of one from the currently authorized total of . During the course of the survey, representatives of the Machine Methods Branch, OCD, were called in at the request of the Chief, Fiscal Division, to make a preliminary survey of the possibilities of transferring payroll operations to a tabulating machine basis. The preliminary survey indicated that no insurmountable problems would be encountered.

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(1) Recommendations

(a) That the personnel authorization for Payroll Branch be reduced by one payroll or audit clerk.

(b) That the Chief, Fiscal Division, in conjunction with Machine Methods Branch, OCD, and the Management Staff, make a complete survey of the feasibility of adapting payroll operations to tabulating machines and submit appropriate recommendations.

e. Claims Branch - The workload of this Branch is approximately 14,500 vouchers per year which together with related activities is within the performance standards established by the Bureau of

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the Budget. Personnel authorized for the Branch consists of [] fiscal auditors and [] fiscal audit clerks. A relatively small volume of pre-auditing is done which is not prescribed by regulations. This action has proven effective in eliminating necessity for return or adjustment of many vouchers after purchases have been made.

f. Fiscal Processing Branch - The personnel authorized for this Branch is [] clerks, one of which is primarily utilized as a messenger. The workload is sufficient to justify only [] of the [] positions currently authorized. The regularly established Agency messenger and courier service can be used to provide all necessary messenger service. An exceptionally good vendor index has been established which is maintained for the use of the entire Fiscal Division. This Branch prepares and maintains all files for the General Accounting Office representatives on duty with the Agency. This function was questioned and it was established that it is more economical and secure for the Agency to render this service than require it to be done by a GAO employee. All domestic postage stamps used by the Agency are procured and issued by this Branch. This function is a normal supply responsibility. This Branch procures and distributes throughout the Agency copies of decisions of the Comptroller General, laws, general regulations, Treasury Regulations, circulars and similar publications. Requests for additional copies are frequently received in OCD, which office then obtains the copies from Fiscal Division and forwards them to the requester. While OCD is primarily responsible for obtaining only intelligence material, the fact that the Agency activities do request other material from that office, indicates a desirability for centralizing the procurement and distribution. Accountability for property is maintained by this Branch. It is believed that this function could be performed more effectively by the Office of the Chief. Incoming mail is opened and time stamped only twice a day. It is realized that the majority of incoming papers do not require immediate handling; however, under this procedure those papers which do require expeditious action are delayed.

(1) Recommendations

(a) That the personnel authorization for the Branch be reduced by one clerk (messenger).

(b) That the domestic postage stamp procurement and issue function be transferred to Services Division; that authority be granted field stations for local procurement wherever possible; and that a simplified accounting and reporting system for using offices be adopted. (Procedures to be worked out jointly by Management and Administrative Support Staffs.)

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(c) That the procurement and distribution of material from outside the Agency for internal use be assumed by OCD.

(d) That property accountability records be maintained by the Office of the Chief.

(e) That all mail be opened upon receipt and action taken on those papers which require expeditious processing.

7. Certain problems were encountered which are outside the sphere of influence of the Chief, Fiscal Division, but which if corrected would enable him to render better service. Statements of the problems together with recommended solutions are indicated below: (Similar recommendations have been made in the Survey of the Budget Staff. The Budget Officer is taking corrective action.)

a. The Fiscal Division now receives advice of allotments (Form No. 32-5) on a cumulative basis by quarter with revisions during the year as necessary. The Fiscal Division must make subtractions from the cumulative total allotted to determine the amount allotted for any quarterly period. This complicates the bookkeeping and increases the probability of error.

(1) Recommendations

(a) Discontinue the cumulative figures and indicate only the allotment for each quarter. (The annual total is shown in either event.)

(b) Issue only one Form No. 32-5 per account. Any changes which become necessary to be furnished by change sheet which will indicate the amount of the change and the new quarterly total. (Under present procedure a new Form No. 32-5 is prepared which shows the new cumulative total caused by the change together with repetition of all other figures on the form.)

b. Form No. 34-12 which contains the monthly recapitulation of each account is prepared by the Fiscal Division and submitted to the Budget Officer for distribution to the operating offices. Questions of operating offices concerning entries on the form are raised with the Budget Staff, which in many instances must be referred to the Fiscal Division for reply.

(1) Recommendation

(a) That the Fiscal Division distribute the forms direct to the operating offices and receive and answer the questions directly. Copies of the report would be furnished the Budget Staff for information and use.

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8. The recommendations contained in this report will provide for tangible and intangible savings as indicated below:

a. Personnel -



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b. Operations -

(1) Transfer of accounting to a machine basis will provide more flexibility in reporting procedures without an increase in personnel.

(2) Simplification of procedure for accounting for postage stamps will reduce the work of all concerned.

(3) Preparation of travel vouchers at a source thoroughly familiar with all travel regulations will improve the standards and reduce voucher preparation time.

(4) It is sound business practice to divorce the travel order preparation function from that of audit and certification of vouchers for payment.

(5) Convenience to travellers will result from consolidation of order preparation, transportation request and travel service.

9. Request that you forward your comments in connection with this report to this office by 31 March 1950.

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Attachments: Exhibits A, B, C, D, E, F

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